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November 5, 2002

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Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth St., S.W. Washington, D.C. 20554

Re: Qwest Communications International Inc. Application

for Authority to Provide In-Region, InterLATA Services in Colorado, Idaho, Iowa, Montana, Nebraska, North

Dakota, Utah, Washington, and Wyoming;

WC Docket No. 02-314

Dear Ms. Dortch:

On behalf of Qwest Communications International Inc. ("Qwest"), I am writing to provide information in response to inquiries from the Wireline Competition Bureau ("WCB") staff.

First, Qwest has comprehensively and repeatedly demonstrated that there is no legal or factual basis for AT&T's and other parties' price squeeze contentions. In response to the staff's request, Attachment 1 to this letter includes an analysis confirming that CLECs have ample opportunities to enter the marketplace in Iowa and compete profitably with Qwest using the UNE-P and resale. This analysis uses the same approach as the Montana price squeeze analysis included in the Addendum to the Brief included in the application initiating this proceeding ("Addendum"), Tab 10, pages 1-4 & Exh. 10-1.

Second, Qwest reiterates that the dispute raised in this proceeding by Level 3 – whether Internet-bound traffic should be counted when determining the relative use of the two-way facilities carrying traffic on Qwest's side of the point of interface – is not properly addressed in a Section 271 proceeding, since it concerns the regulatory treatment of facilities carrying Internet-bound traffic, which is outside the scope of Sections 251 and 252, and also because it amounts to an

Marlene H. Dortch November 5, 2002 Page 2

improper collateral challenge to matters being litigated elsewhere. Nonetheless, per staff's request, Attachments 2, 3, 4, and 5 to this letter include decisions of the Arizona Corporation Commission, Colorado Public Utilities Commission, the Oregon Public Utility Commission, and the Washington Utilities and Transportation Commission addressing the issue. The Colorado, Oregon, and Washington decisions correctly confirm that Internet-bound traffic should not be counted in the relative use determination. While the Arizona decision reached the opposite result, that decision was issued prior to this Commission's most recent decision regarding intercarrier compensation for Internet-bound traffic, and Qwest believes that the holding there is no longer valid law. As the Commission is aware, both the Colorado and Oregon decisions have been appealed to federal court, and the issue is being litigated before the Minnesota, Washington, and other state commissions as well.

Pursuant to the Public Notice initiating this proceeding, DA 02-2438 (rel. Sept. 30, 2002), the twenty-page limit does not apply. If you have any questions, please contact me.

Respectfully submitted,

David Sieradyhi

David L. Sieradzki

Counsel for Qwest Communications

International Inc.

## HOGAN & HARTSON L.L.P.

Marlene H. Dortch November 5, 2002 Page 3

## **Enclosures**

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